



## State of Utah

### Department of Natural Resources

ROBERT L. MORGAN  
*Executive Director*

### Division of Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

May 20, 2004

CERTIFIED RETURN RECEIPT  
7099 3400 0016 8896 1225

Michael Terry  
Anasazi Gold Reserves  
C/o North American Holding, Inc.  
472 North Main Street  
Kaysville, Utah 84037

Subject: Deficient Notice of Intention to Commence Small Mining Operations,  
Anasazi Gold Reserves, Highland Mist Mine, S/21/035, Beaver Fork  
County, Utah

Dear Mr. Terry:

Thank you for your Notice of Intent (notice) and initial permit fee payment, received on April 14, 2004, concerning your proposed Highland Mist Mine, located in SW1/4 NE1/4 NE1/4 and the NW1/4 NE1/4 NE1/4 of Section 36, T32S, R6W, and the NE1/4 SW1/4 NW1/4 of Section 36, T32S, R5 1/2W, Beaver County, Utah.

On May 19, 2004, we received notification that Anasazi Gold Reserves is registered to do business in the state of Utah. Therefore, we were able to finalize our review of your notice application.

Under a Memorandum of Agreement with the Utah Division of State History Preservation Office, we were required to forward a copy of your notice to the that agency so they could check if there were any historical or archaeological properties in the area of the proposed operation. We have received their response that "no survey has been conducted at this site." We contacted the School and Institutional Trust Lands Administration (SITLA) to see if a survey had been done by that agency and were informed that the area has not been surveyed and a survey will be required prior to any ground disturbance.

We find that your notice satisfies the requirements of Rule R647-2 of the Utah Mined Land Reclamation Act of 1975, Title 40-8, et seq., Utah Code

Michael Terry  
Page 2 of 2  
E/021/037  
May 20, 2004


Annotated **with the exception of the reclamation bonding requirement, and the archaeological survey completed. A reclamation surety bond of \$14,000 is required for sites disturbing up to four acres.**

Acceptable sureties include Surety Bonds, Certificates of Deposit, Letters of Credit, and Cash. Please be advised that if you choose to post cash as a form of reclamation surety, the State Treasurers office may require additional monies to manage a cash account. A Reclamation Contract is also required to be submitted along with the surety. When you determine which type of surety you wish to post, please contact Joelle Burns at (801) 538-5291 to obtain the current bonding forms, or you may download the forms on the internet at [www.ogm.utah.gov](http://www.ogm.utah.gov). Please provide us with "draft" copies of the documents before they are finalized, so we can review them for completeness and accuracy. Please provide the surety and have the archaeological survey completed w/in the next 30 days, by June 21, 2004, or provide written justification as to why the deadline should be extended. The surety must identify the Division and the SITLA as beneficiaries.

Once we receive the \$14,000 reclamation surety, and the archaeological survey report, you may commence with your exploration activities as outlined (provided there are no archaeological concerns found in the proposed area). You also need to receive written acceptance from SITLA that all their requirements are satisfied prior to proceeding.

Thank you for your cooperation and immediate attention to the remaining deficiency in this proposal. We are anxious to finalize and accept your proposal in order to allow you to proceed with your proposed operation. If you have any concerns or questions regarding this letter, please contact me at (801) 538-5382. In reply, please refer to file number S/021/035.

Sincerely,



Doug Jensen  
Senior Reclamation Engineer

DJ:jb  
cc: Will Stokes, SITLA (ML  
O:\M021-Iron\S0210035-HighlandMist\final\review-def-05202004.doc